

Message Text

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TAGS: ENRG VE
SUBJECT: PRESIDENT DEFENDS ROLE OF FOREIGN TECHNOLOGY IN
THE DEVELOPMENT OF HEAVY OIL RESOURCES

SUMMARY. RESPONDING TO CRITICS OF THE GOV'S POLICY ON THE
EXPLORATION AND DEVELOPMENT OF THE ORINOCO HEAVY OIL BELT,
PRESIDENT PEREZ SAID IT WAS ABSURD TO CLAIM THAT VENEZUELA
POSSESSED THE TECHNOLOGICAL CAPACITY TO EXPLORE THE BELT.
THEREFORE, VARIOUS FOREIGN TECHNOLOGIES ARE BEING STUDIED
AND THE GOV WILL CHOOSE THE BEST OF THOSE OFFERED. END
SUMMARY.

1. IN A PRESS CONFERENCE AUGUST 20 PRESIDENT PEREZ STRONGLY
ATTACKED CRITICS OF THE GOV'S RECENT MOVES TO BEGIN
EXPLORATION AND DEVELOPMENT OF THE ORINOCO HEAVY OIL BELT.
WHILE THERE IS CERTAINLY OIL THERE, HE EXPLAINED, CLAIMS
THAT THE BELT CONSTITUTES ONE OF THE LARGEST RESERVOIRS OF
OIL IN THE WORLD ARE STILL BASED ON A SCIENTIFIC HYPOTHESIS
WHICH CANNOT BE PROVEN UNTIL THE AREA HAS BEEN FULLY EXPLORED.
IN THIS REGARD HE CITED THE POLITICAL OUTCRY IN 1971 AGAINST
THE SERVICE CONTRACTS GRANTED TO A NUMBER OF MULTINATIONAL
OIL COMPANIES TO EXPLORE THE SOUTHERN AREA OF LAKE
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MARACAIBO. WHILE SEISMOLOGICAL EVIDENCE INDICATED
THE POSSIBILITY OF MASSIVE OIL DEPOSITS IN THE AREA,
PEREZ EXPLAINED THAT THE COMPANIES SPENT MANY MILLIONS
OF DOLLARS IN DRILLING BUT FOUND ALMOST NOTHING.

2. WITH REGARD TO THE ORINOCO BELT, HE SAID IT WAS ABSURD
NONSENSE TO MAINTAIN THAT VENEZUELA HAD THE TECHNOLOGY

NEEDED TO FULLY EXPLORE THE AREA ON ITS OWN. FURTHERMORE, HE NOTED, TECHNOLOGIES DO NOT YET EXIST IN THE MARKET FOR THE EXPLOITATION OF THIS NON-CONVENTIONAL OIL AND WILL HAVE TO BE DEVELOPED ON THE BASIS OF THE EXPLORATORY RESULTS. THUS, VENEZUELA MUST USE TECHNOLOGIES FROM JAPAN, EUROPE, THE U.S., CANADA AND THE SOVIET BLOC TO EXPLORE AND DEFINE THE SIZE OF THESE RESOURCES. WITH THIS INFORMATION, THE COUNTRY WILL BE ABLE TO CHOOSE THE MOST APPROPRIATE OF THE TECHNOLOGIES FOR THEIR EVENTUAL EXPLOITATION.

3. PEREZ WAS PARTICULARLY CRITICAL OF THOSE (I.E. COMMUNIST CONGRESSMAN RADAMES LARRAZABAL) WHO HAVE CALLED FOR A MEETING OF THE NATIONAL ENERGY COUNCIL TO DISCUSS THE TRANSFER OF RESPONSIBILITY FOR EXPLORATION THE ORINOCO BELT FROM THE MINISTRY OF ENERGY TO PETROLEOS DE VENEZUELA, THE NATIONAL OIL COMPANY. POINTING OUT THAT PETROLEOS IS JUST AS VENEZUELAN AS THE MINISTRY, THE PRESIDENT SAID THAT THE MINISTRY'S PROPER ROLE IS TO ESTABLISH POLICY AND EXERCISE FISCAL CONTROL OVER THE OIL INDUSTRY WHILE PETROLEOS POSSESSES THE TECHNICAL CAPABILITIES TO PERFORM THE NECESSARY FIELD WORK. HE INDICATED THE CREATION OF A PARALLEL TECHNOLOGICAL STRUCTURE WITHIN THE MINISTRY TO EXPLORE THE ORINOCO AREA COULD NOT BE JUSTIFIED.

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4. COMENT: WHILE PRESIDENT PEREZ HAS SPOKEN OUT IN THE PAST, BOTH PUBLICLY AND PRIVATELY, ON THE NEED TO USE FOREIGN TECHNOLOGY IN DEVELOPING THE ORINOCO BELT, THIS LATEST STATEMENT IS NOTABLE IN ITS TIMING, COMING DURING AN ELECTION CAMPAIGN, IMMEDIATELY AFTER A NATIONALISTIC STATEMENT BY THE OPPOSITION CANDIDATE AND IN THE STRONG TERMS HE USED IN DEFENDING THIS POLICY.
CROWLEY

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RESPONDING TO CRITICS OF THE GOV'S POLICY
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